

City of Detroit  
FINANCE DEPARTMENT  
INCOME TAX DIVISION  
Coleman A. Young Municipal Center  
2 Woodward Ave., Suite 512  
Detroit, Michigan 48226-3456

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PRINTED MATERIAL

# CITY OF DETROIT INCOME TAX 2002

## D-1065 PARTNERSHIP RETURN

All forms and instructions available on website [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us)

# INSTRUCTIONS FOR COMPLETING INCOME TAX RETURN

PLEASE PRINT IN BLACK INK & USE CAPITAL LETTERS

- PLEASE PRINT ALL INFORMATION ON YOUR TAX RETURN INSIDE THE BOXES IN BLACK INK.
- PRINT ONE NUMBER OR LETTER IN EACH BOX WHEN ENTERING YOUR SOCIAL SECURITY NUMBER(S), NAME(S), ADDRESS, DOLLAR AMOUNTS OR OTHER INFORMATION. EXAMPLE:



A	B	C	D	E	F	G	H	I	J	K	L	M
N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	2	3	4	5	6	7	8	9	0			

- LEAVE A BLANK BOX BETWEEN WORDS. EXAMPLE:



L	A	R	K	I	N		S	T	E	V	E		R
---	---	---	---	---	---	--	---	---	---	---	---	--	---

(IF YOUR NAME, ADDRESS OR CITY BEGINS WITH MC, VAN, O', ETC.,  
DO NOT ENTER A SPACE OR PUNCTUATION MARK)

- THERE ARE TWO AREAS TO ENTER YOUR ADDRESS. USE THE POSTAL FORMAT OR APARTMENT NUMBER, SUITE, ROOM NUMBER, RURAL ROUTE, BOX NUMBER, FLOOR, ETC. FIRST, THEN YOUR ADDRESS. IF YOU ONLY HAVE A STREET ADDRESS, YOU MAY ENTER IT IN EITHER AREA. EXAMPLE:



P	O		B	O	X		1	2	6	7										
1	5	6	8		V	A	L	L	E	Y		V	I	E	W		R	O	A	D
H	A	R	R	I	S	B	U	R	G		P	A		1	7	1	2	9		

(REMEMBER: USE A BLANK BOX TO SEPARATE WORDS)

D-1065  
CITY OF  
DETROIT

# CITY OF DETROIT INCOME TAX PARTNERSHIP RETURN

FOR THE CALENDAR YEAR 2002

# 2002

EXTENSION NUMBER

or other taxable year beginning \_\_\_\_\_, 2002, ending \_\_\_\_\_, 20 \_\_\_\_\_

**PLEASE  
TYPE  
OR  
PRINT**

Name of Partnership

Date Business Commenced \_\_\_\_\_

Number and Street

Number of Employees on December 31, 2002 \_\_\_\_\_

Number of Partners \_\_\_\_\_

City, Town or Post Office

State

Zip Code

Type or Return — Check One:

☐ Information Only

☐ Payment on behalf of all Partners

Federal employer  
identification number

NAME, SOCIAL SECURITY NUMBER AND HOME ADDRESS OF EACH PARTNER

CHECK COL. A OR B  
OR FILL IN COL. C

A  
RESIDENT  
FULL  
YEAR

B  
NON-  
RESIDENT  
FULL YEAR

C  
IF RESIDENT  
PART OF YEAR  
INDICATE TIME PERIOD

(a) ..... S.S. #

(b) ..... S.S. #

(c) ..... S.S. #

(d) ..... S.S. #

(e) ..... S.S. #

## DEDUCTIONS

## INCOME

COL. 1  
Total Income  
(From P. 3, Sch. E, Col. 7)  
(See Notes 1 and 2 Below)

COL. 2  
Other Deductions  
(Explain in Statement)

COL. 3  
Exemptions  
(See Note 1 Below  
and Instructions)

COL. 4  
Taxable Income  
(Col. 1 Less Cols.  
2 and 3)

COL. 5a  
Resident Tax  
(Col. 4 x 2.65%)

COL. 5b  
Nonresident Tax  
(Col. 4 x 1.325%)

COL. 6  
Credits  
(See Instructions)

1. (a) \$	\$	\$	\$	\$	\$	\$
2. (b) \$						
3. (c) \$						
4. (d) \$						
5. (e) \$						
6. Total						

7. Total Tax — column 5 (a) plus column 5(b) ..... ⑦ \$ ..... 00.

AUDITOR RESULTS

## PAYMENTS AND CREDITS

8. a. Tax paid with tentative return	⑧a	\$	00
b. Payments and credits on 2002 Declaration of Estimated Detroit Income Tax	⑧b		00
c. Other credits — explain in attached statement	⑧c		00
9. Total — add lines 8a, b, and c (This total must agree with the total of col. 6 above)	⑨	\$	00

## TAX DUE OR REFUND

10. If line 9 is larger than line 7, enter amount OVERPAID	⑩	\$	00
11. Amount on line 10 is to be: (A) <input type="checkbox"/> Credited on 2003 Estimated tax or (B) <input type="checkbox"/> Refunded			
12. If line 7 is larger than line 9 enter Tax Due	⑫		00

PAY IN FULL WITH THIS RETURN TO: "TREASURER, CITY OF DETROIT"

Auditor

NOTE 1 — A partner who has other income in addition to the partnership income must file an individual return and show on such return the amount entered above in columns 1, 2, and 6. A partner who is claiming his exemption as a member of another partnership is NOT to claim his exemption on this partnership return in column 3.

NOTE 2 — The partnership may pay tax for partners only if it pays for ALL partners subject to the tax. If the partnership elects to use this return as an information return, complete page 2, 3, and 4, and fill in column 1 above; it will not be necessary to fill in column 2 through 6 since a computation of the tax need not be made.

I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, his/her declaration is based on all information of which he/she has any knowledge.



S  
I  
G  
N  
  
H  
E  
R  
E

(Signature of partner or member)

(Title)

(Signature of preparer other than partner or member)

(Address)

(Date)

## MAILING INSTRUCTIONS:

Returns  
With  
Payments: TREASURER, CITY OF DETROIT  
P.O. Box 33530  
Detroit, Michigan 48232

All Others: DETROIT CITY INCOME TAX  
2 Woodward Room B-3  
Detroit, Michigan 48226

# INCOME FROM PARTNERSHIP — SCHEDULE C

For the Year Ending \_\_\_\_\_, 20\_\_\_\_\_

- A. Name as shown on page 1 of Form D-1065 \_\_\_\_\_
- B. Principal Business Activity \_\_\_\_\_
- C. Business Location \_\_\_\_\_  
(Number and Street or rural route) (City or post office) (State) (Postal Zip Code)
- D. Telephone No. \_\_\_\_\_ E. Name of person in charge of records \_\_\_\_\_

## ORDINARY INCOME FROM BUSINESS

- |  |          |
|--|----------|
| 1. Gross receipts \$ _____, less allowances, rebates and returns \$ _____                                    | \$ _____ |
| 2. Inventory at beginning of year (if different from last year's closing inventory attach explanation) _____ | \$ _____ |
| 3. Merchandise purchased \$ _____, less any items withdrawn from business for personal use \$ _____          | _____    |
| 4. Cost of labor (do not include amounts paid to partners) _____   | _____    |
| 5. Materials and supplies _____  | _____    |
| 6. Other costs (explain in attached statement) _____   | _____    |
| 7. Total of lines 2 through 6 _____  | _____    |
| 8. Inventory at end of year _____  | _____    |
| 9. Cost of goods sold (line 7 less line 8) _____   | _____    |
| 10. Gross profit (subtract line 9 from line 1) _____   | _____    |
| 11. Miscellaneous income (do not include any item included on lines 25 through 31) _____                     | _____    |
| 12. Total income (add lines 10 and 11) _____   | _____    |

## OTHER BUSINESS DEDUCTIONS

- |  |          |
|--|----------|
| 13. Salaries and wages not included on line 4 (exclude any payments to partners) _____   | \$ _____ |
| 14. Payments to partners — salaries and interest — enter here and on P. 3, Sch. E, col. 4 _____  | _____    |
| 15. Rent on business property _____  | _____    |
| 16. Losses on business property (attach statement listing items and location) _____  | _____    |
| 17. Depreciation _____   | _____    |
| 18. Taxes _____  | _____    |
| 19. Other business expenses (attach statement) _____   | _____    |
| 20. Total of line 13 through 19 _____  | _____    |
| 21. Ordinary income from business — line 12 less line 20 _____   | _____    |
| 22. Add City of Detroit and Michigan income tax if included in line 18 above _____   | _____    |
| 23. Add interest and other costs included in line 20 which were incurred in connection with the production of tax exempt income or partners personal expenses which were charged to the business _____ | _____    |
| 24. Total adjusted ordinary income from business for the year (add lines 21 through 23). Enter here and on P. 3, Schedule E, col. 1 _____  | _____    |

## OTHER PARTNERSHIP INCOME OR LOSS (taxable or non-taxable depending on residency or partners)

- |  |       |
|--|-------|
| 25. Dividends \$ _____, Interest \$ _____ (enter total dividends and interest) _____                 | _____ |
| 26. Income (or loss) from other partnership and other income _____                                   | _____ |
| *27. Net gain (or loss) from sale or exchange of property other than capital assets (See Note) _____ | _____ |
| *28. Net long term capital gain less net short term capital loss (See Note) _____                    | _____ |
| *29. Net short term capital gain less long term capital loss (See Note) _____                        | _____ |
| *30. Net gain (or loss) from sale or exchange of property under Section 1231 _____                   | _____ |
| 31. Rent \$ _____ Royalties \$ _____ (enter total rents and royalties) _____                         | _____ |
| 32. Total partnership income to account for (add lines 24 through 31) _____                          | _____ |

\*NOTE: The amounts on lines 27, 28, 29, and 30 should agree with the amount reported on Schedule D of your federal partnership form 1065.

**THE FOLLOWING SCHEDULES B AND E, ON PAGE 3, ARE TO BE USED TO COMPUTE THE TAXABLE PORTION OF THE INCOME OF THE PARTNERSHIP AS SHOWN ON LINE 32 ABOVE**

# NON-BUSINESS INCOME OR LOSS — INTEREST, DIVIDENDS, SALE OR EXCHANGE OF PROPERTY, RENTS, ROYALTIES, ETC. — SCHEDULES B

	COL. 1 TOTAL	DISTRIBUTION OF COL. 1		DISTRIBUTION OF COL. 3	
		COL. 2 PORTION OF COL. 1 APPLICABLE TO RESIDENT PARTNERS	COL. 3 PORTION OF COL. 1 APPLICABLE TO NONRESIDENT PARTNERS	COL. 4 EXCLUDABLE PORTION OF COL. 3 — NOT TAXABLE TO NONRESIDENT PARTNERS	COL. 5 PORTION OF COL. 3 TAXABLE TO NONRESIDENT PARTNERS
<b>INTEREST AND DIVIDENDS:</b>					
1. Total interest and dividends from line 25, P. 2, Schedule C .....	\$ .....				
2. Less: Interest from obligations of U.S. governmental units .....	.....				
3. Net interest and dividend income .....	.....	\$ .....	\$ .....	\$ .....	XXXXXXXXXXXXXXXXXXXXX
<b>SALE OR EXCHANGE OF PROPERTY:</b>					
4. Total gain (or loss) — total of lines 27, 28, 29 and 30, P. 2, Schedule C .....	.....				
5. Gain (or loss) attributable to the period after July 1, 1962 .....	.....				\$ .....
<b>RENTS AND ROYALTIES:</b>					
6. Net income (or loss) from rents and royalties from line 31, P. 2, Schedule C .....	.....				
<b>INCOME FROM OTHER PARTNERSHIPS, ESTATES, TRUSTS, ETC.</b>					
7. Income (or loss) from other partnerships and other income from line 26, P. 2, Schedule C .....	.....				
8. Less exempt income .....	.....				
9. Net income (or loss) from other partnerships and other income .....	.....				
10. TOTALS (lines 3, 5, 6 and 9) .....	.....				

NOTE: Only the totals of Columns 2 and 5 should be distributed in Schedule E below, in Cols. 6a and 6b.

## SCHEDULE E SUMMARY OF SCHEDULES B AND C

COL. 1 INCOME FROM BUSINESS OPERATIONS (FROM PAGE 2, SCH. C, LINE 24)	COL. 2 ALLOCATION % FROM PAGE 4, SCH. D, LINE 5 FOR NONRESIDENTS (ENTER 100% FOR RESIDENTS)	COL. 3 ALLOCATED INCOME (COL. 1 MULTIPLIED BY % IN COL. 2)	COL. 4 PAYMENT TO PARTNERS — SALARIES AND INTEREST (FROM PAGE 2, SCH. C, LINE 14)	COL. 5 PORTION COL. 4 EARNED IN DETROIT SEE PAGE 4 INSTRUCTIONS. (ENTER 100% FOR RESIDENTS)	COL. 6(a) NON-BUSINESS INCOME TAXABLE TO RESIDENT PARTNERS (TOTAL MUST EQUAL LINE 10, COL. 2, SCH. B)	COL. 6(b) NON-BUSINESS INCOME TAXABLE TO NONRESIDENT PARTNERS (TOTAL MUST EQUAL LINE 10, COL. 5, SCH. B)	COL. 7 TOTAL INCOME (ADD COLS. 3, 5, 6(a) and 6(b))
(a) \$ .....	..... %	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
(b) .....	.....	.....	.....	.....	.....	.....	.....
(c) .....	.....	.....	.....	.....	.....	.....	.....
(d) .....	.....	.....	.....	.....	.....	.....	.....
(e) .....	.....	.....	.....	.....	.....	.....	.....
Totals							

In the case of a taxpayer authorized by the Finance Director to use one of the special formulae, attach complete computations and furnish the following:

a. Copy of approval letter ..... b. Percentage used — enter here ..... and on p. 3, col. 3

Are you electing to use the Multistate Tax Compact provisions? ☐ Yes ☐ No If yes, attach schedules.

INCOME APPORTIONMENT FORMULA — SCHEDULE D	LOCATED EVERYWHERE I	LOCATED IN DETROIT II	PERCENTAGE II + I
1. Average net book value of real and tangible personal property .....	\$ .....	\$ .....	
a. Gross annual rent paid for real property multiplied by 8 .....	.....	.....	
b. TOTAL (add lines 1 and 1a) .....	.....	.....	.....%
2. Total wages, salaries, commissions and other compensation of all employees .....	.....	.....	.....%
3. Gross receipts from sales made or services rendered .....	.....	.....	.....%
4. Total — add lines 1b, 2 and 3 (you must compute a percentage for each line) .....	.....	.....	.....%
5. Average* — enter here and on page 3, col. 3, Schedule E .....	.....	.....	.....%

\*In determining the average, divide line 4 by 3. However, if a factor does not exist, divide the sum of the percentage by the number of factors actually used.

## INSTRUCTIONS FOR INCOME APPORTIONMENT FORMULA — SCHEDULE D

The income apportionment percentage is to be applied by NONRESIDENT partners to their distributive share of business income if business activity of the partnership is conducted both within and without the City of Detroit. In order to use the separate accounting method, permission must be requested in writing from the administrator not more than 90 days after the beginning of the taxpayer's year.

Line 1. Enter in column I the average net book value of all real and tangible personal property owned by the business, regardless of location; and in column II show the average net book value of the real and tangible personal property owned and located in the City of Detroit.

The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the end of the year and dividing the sum by two. If this method will not properly reflect the average net book value of tangible property owned during the year, any other method that will accurately reflects it will be permitted.

Line 1a. Enter in column I the gross annual rent multiplied by 8 for all rented real property regardless of location. In column II show the gross annual rent multiplied by 8 for rented real property located in the City of Detroit.

Gross annual rent should include money and other consideration given for the use or possession of real property rented or leased, including public warehouse storage charges.

Line 2. Enter in column I the total compensation paid to all employees during the year and in column II show the amount of compensation paid to employees for work done or for services performed within the City of Detroit during the year.

Line 3. Enter in column I the total gross receipts from all sales made or services rendered during the year and in column II show the amount of gross receipts from sales made or services rendered in the City of Detroit during the year. Rental income is to be considered as derived from services rendered and is to be included in gross receipts.

### Instructions for the computation of salaries, interest or guaranteed payments to be included in Schedule E, Column 5.

This schedule is to be filled in by non-resident partners who performed part of their services in Detroit.

#### USE A SEPARATE SCHEDULE FOR EACH PARTNER

1. Actual number of days worked on job — everywhere .....	..... days
2. Actual number of days worked on job in Detroit .....	..... days
3. Percentage of days worked in Detroit (line 2 divided by line 1) .....	.....%
4. Total salaries, interest and guaranteed payments .....	\$ .....
5. Salaries and interest earned in Detroit (line 4 multiplied by percentage on line 3) — Enter here and on page 3, column 5, Schedule E. ....	\$ .....

**CITY OF DETROIT INCOME TAX**  
**2002 PARTNERSHIP RETURN**  
**INSTRUCTIONS FOR FORM D-1065**

**WHO MUST FILE A PARTNERSHIP RETURN**

Every partnership that conducted business activities in the City of Detroit, whether or not an office or place of business was maintained in the city is required to file an annual information return.

**FILING DATE**

An information return is due on or before the last day of the fourth (4th) month after the end of the accounting period. Calendar year returns are due April 30.

**INCOME TAXABLE TO RESIDENT VS. NON-RESIDENT PARTNERS**

The partnership Return Form D-1065 is designed to distinguish between that income taxed to residents and that taxed to non-residents. (If residency changes during the taxable period for any partner, use two lines to indicate allocation of income by status in all schedules.

Schedule C indicates the total income of the partnership which may be subject to the tax. Ordinary business income in Schedule C is transferred to Schedule E, Column 1, showing the amount of ordinary income distributable to each partner. The non-business income portion of Schedule C is first transferred to Schedule B, by total amounts for each type of income, to determine the taxable portion for each class of partners. This taxable income is then transferred to Schedule E showing the amounts applicable to the individual partners. Column 1 on Page 1 is the final summary transferred from Schedule E, Column 7.

Partners who are RESIDENTS are taxed on their entire distributive share of the net profits of the partnership, including those arising from business activities outside the city.

**RENAISSANCE ZONE**

Areas in Detroit have been designated Renaissance Zones by the State of Michigan. Most income of qualified residents and businesses in those areas is not taxable. Contact the Renaissance Zone Manager at 313/224-3072 to determine if you are in a Renaissance Zone or if you qualify.

**ROUNDING DOLLAR AMOUNTS**

Only whole dollar amounts are shown on the return. Do not enter cents. Round down all dollar amounts less than 50 cents. Round up all amounts of 50 through 99 cents.

**INTERNET**

Additional information, return instructions and forms are available at the website for the CITY OF DETROIT at [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us).

**INSTRUCTIONS FOR SCHEDULE C, PAGE 2**

Schedule C is used to indicate all of the income of the partnership which may be subject to the Detroit tax. Line 24 of Schedule C will be the total of the partnership ordinary income from business operations, and Lines 25 through 31 of Schedule C will show the total non-business income of the partnership.

Ordinary income from business on Line 24 of Schedule C is to be transferred to Column 1 of Schedule E. Non-business income on Lines 25 through 31, Schedule C is to be transferred to Schedule B. Instructions for Schedules B and E will indicate how amounts transferred from Schedule C are to be allocated to the individual

partners.

**GENERAL INSTRUCTIONS FOR SCHEDULE B, PAGE 3**

Schedule B is used to allocate the total non-business income of the partnership between the total amount distributable to resident partners, and the total amount distributable to non-resident partners. Non-resident income is further allocated to compute the total income of non-resident partners which is subject to the Detroit tax. (Resident partners are taxed on their entire distributive share of non-business income.) After determining the total taxable income for each class of partners, these totals are transferred to Schedule E wherein an analysis is made to show the amounts of non-business income applicable to the individual partners.

**INTEREST AND DIVIDENDS, LINES 1-3**

In Column 1, Line 1, report the total partnership income from interest and dividends and on Line 2, deduct the total non-taxable interest (interest from obligations of the United States and U.S. governmental units). The net taxable dividends and interest, reported on Line 3, Column 1 is to be apportioned between the amount applicable to resident partners (Line 3, Column 2) and the amount applicable to non-resident partners (Line 3, Column 3). Since interest and dividend income is not taxable to non-residents, the entire amount shown on Line 3, Column 3 will also be inserted on Line 3, Column 4 as excludable income of non-residents.

**SALES OR EXCHANGE OF PROPERTY, LINE 4 AND 5**

Report on Line 4, Column 1 the total net gain or loss from all sales and exchange of property as shown in Schedule C, Page 2, Lines 27 through 30. To arrive at the amount to enter on Line 5 of Schedule B first exclude any gain or loss on the sale of obligations of the United States which are included in Line 4 Schedule B. Then enter on Line 5 only that portion of the remainder of Line 4 which represents gain or loss attributable to the period after July 1, 1962. If the property was acquired prior to July 1, 1962, the basis may be the adjusted fair market value of the property on July 1, 1962, (July 2nd closing price for traded securities), or the gain or loss applicable to the period after June 30, 1962 may be computed by multiplying the total gain or loss by the ratio of the months the property was held after June 30, 1962 to the total months the property was held.

The non-resident excludable portion of the amount shown in Column 3, to be entered in Column 4, is that portion of the gain (or loss) which arose from the sale or exchange of intangible assets, and of tangible property located outside of Detroit. The remaining portion of Line 5, Column 3, which is to be entered on Line 5, Column 5 will then include gain (or loss) attributable to the period after June 30, 1962 from the sale or exchange of tangible property located in Detroit.

**RENTS AND ROYALTIES, LINE 6**

Report on Line 6, Column 1, the total net income (or loss) from all rents and royalties, and then fill in Columns 2, 3, and 4. Subtract Column 4 (net income or loss from royalties and rents attributable to property OUTSIDE Detroit) from Column 3 and enter the difference in Column 5.

**INCOME FROM OTHER PARTNERSHIPS, ETC.****— LINE 7-9**

Include on Line 7, Column I, the net income (or loss) from other partnerships, etc. On Line 8, deduct any income which is specifically exempt for all taxpayers (interest on U.S. governmental obligations, etc.) and which was included in the amount on Line 7, and enter the net amount on Line 9, Column I.

Fill in Column 2, 3, and 4. Subtract Column 4 (income not taxable to non-residents) from Column 3 and enter the difference in Column 5.

**TOTALS, LINE 10**

Enter on Line 10 the total of Lines 3, 5, 6 and 9 for each column in Schedule B. After transferring the amounts from Column 2 and 5 of Schedule B to Schedule E, where distribution of the total is made to the individual partners. The total of Column 2 (taxable non-business income of resident partners) must equal the total of Column 6a of Schedule E. The total of Column 5 must equal the total of Column 6b of Schedule E.

**INSTRUCTIONS FOR SCHEDULE E, PAGE 3**

The totals of Columns 1, 4, 6a and 6b of Schedule E, showing the distribution to individual partners of ordinary and non-business income, must agree with the totals transferred from Schedules B and C.

**COLUMN 1** — Enter in Column I the individual partner's share of business income from Schedule C, Line 24.

**COLUMN 2** — Enter 100% for resident partners or the allocation percentage from Page 4, schedule D.

**COLUMN 3** — Multiply Column 2 times Column 1 and enter the result here.

**COLUMN 4** — Enter the total partners salaries, interest or other guaranteed payments.

**COLUMN 5** — Enter 100% of resident partners salaries, interest or guaranteed payment or the portion of non-resident salaries, interest or guaranteed payments earned in Detroit. (Based on actual time inside Detroit for each partner as computed per Schedule on Page 4.)

**COLUMN 6a** — Enter non-business income taxable to resident partners per Schedule B, Column 2, Line 10.

**COLUMN 6b** — Enter non-business income taxable to non-resident partners per Schedule B, Column 5, Line 10.

**COLUMN 7** — Transfer the amount of each individual partner's share shown in Column 7, Schedule E to Column 1, Page 1 of the return.

**OPTION TO PAY TAX:** At its election, the partnership may compute and pay the tax which is due with respect to each partner's share of the net profits of the business. The partnership may pay the tax for partners only if it pays for ALL partners subject to the tax. Partnerships electing to pay for all partners must remit with the return if the amount due is \$1.00 or more.

Make remittance payable to:

**TREASURER — CITY OF DETROIT**

If the partnership elects to pay the tax for the partners, the individual partners are not required to file a return if such partners have no other income subject to the tax. However, an individual return shall be required from any partner having Detroit taxable income other than his/her distributive share of the net profits of the partnership. (In such instances, a partner who is required to file an individual return should refer to the instructions for such return.)

If the partnership elects to pay the tax on behalf of the partners, then it assumes the status of a taxpayer to the extent that:

1. Timely payment must be made;
2. A 2003 Declaration of Estimated Income Tax, Form D-1040-ES will be required if the 2003 tax for the partnership is expected to exceed \$100.

**TAX RATE:** The tax rate is 2.65% for residents, 1.325% for non-residents of the City of Detroit and 1.4% for partners who are corporations.

**INSTRUCTIONS FOR PAGE 1**

The amounts to be inserted in Column 1, Page 1 are transferred from Schedule E on Page 3 of the return. If this return is to be an information return only, the remaining Columns 2 through 6 on Page 1, need not be filled in; however, if the partnership elects to pay the tax, Columns 2 through 6 must be completed.

**COLUMN 2** — Any items of income which are non-taxable and which are included in Column 1 are to be deducted in Column 2. These items will include the net operating loss carry-over, etc. The net operating loss carry-overs are to be handled in the same manner as provided by the Federal Internal Revenue Code, except that the Detroit Income Tax Ordinance does not provide for a carry-back of such losses. Non-resident partners must allocate net operating losses to Detroit at the percentage of business conducted in Detroit in the year in which the loss was sustained. A schedule of computations must be attached for all entries in Column 2.

**COLUMN 3** — Exemptions. A \$750 exemption is allowed for each individual partner, his/her spouse and his/her dependents. Additional exemptions are allowed if the taxpayer or his/her spouse is 65 or over; is blind; is deaf; or is paraplegic, quadriplegic, hemiplegic or totally and permanently disabled. A trust or an estate is allowed the same exemption as under the Federal Internal Revenue Code. A spouse may be taken as an exemption on the partnership return only if such spouse has no income subject to the Detroit Income Tax.

**COLUMN 6** — Enter in Column 6 payments made by the partnership for tax paid with a 2002 extension, or for payments on a 2002 Declaration of Estimated Income Tax, or any payments and credits made by the partnership on behalf of Detroit resident partners for income taxes to any other municipality, if the income on which such tax was levied is included in this return. Do NOT take credit for income taxes paid any other municipality on behalf of partners who are not Detroit residents.



The credit shall be the lesser amount of either (1) the income tax paid the other municipality for Detroit resident partners, or (2) the tax that a non-resident of Detroit would have paid on the same income. All credits in Column 6 are to be distributed on Lines 8a, b, and c, and totaled on Line 9. The total of Line 9 must agree with the total of Column 6.

## **TAX DUE OR REFUND**

If the partnership has elected to pay the tax for the partners, and payments and credits exceed the tax due, show the amount of such overpayment on Page 1, Line 10 and check the proper box on Line 11 to indicate whether you wish the overpayment as a refund OR as a credit on your 2003 estimated tax. Refunds of less than one dollar (\$1.00) will not be made. Tax due of less than one dollar (\$1.00) need not be paid.

## **ASSISTANCE**

### **IF YOU HAVE QUESTIONS OR NEED ASSISTANCE:**

**Call 313-224-3315**

**The Income Tax Division is located in Room 512  
Coleman A. Young Municipal Center**

### **QUESTIONS BY MAIL SHOULD BE DIRECTED TO:**

**DIRECTOR, DETROIT INCOME TAX DIVISION  
2 WOODWARD AVENUE, ROOM 512  
DETROIT, MICHIGAN 48226**

### **ARE YOU DUE A REFUND?**

#### **MAIL YOUR RETURN TO:**

**DETROIT CITY INCOME TAX  
2 WOODWARD AVENUE, ROOM B-3  
DETROIT, MICHIGAN 48226**

### **DO YOU OWE TAX?**

#### **MAIL YOUR RETURN TO:**

**TREASURER, CITY OF DETROIT  
P.O. BOX 33530  
DETROIT, MICHIGAN 48232**

The Detroit income tax is imposed under Ordinance 900F. Enabling legislation was provided by the State of Michigan. The Uniform City Income Tax Ordinance is set forth in Chapter 2 of Act 284 of the Public Acts of 1964.

These instructions are intended as an aid in the preparation of your Detroit return.

**THANK YOU.**